
A BILL FOR AN ACT

RELATING TO INFRASTRUCTURE DEVELOPMENT REVOLVING FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 201H, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§201H-A Infrastructure development revolving fund. (a)

5 There is established the infrastructure development revolving
6 fund to be administered by the corporation.

7 (b) An amount from the fund, to be set by the corporation
8 but which shall not exceed \$, may be used for
9 administrative expenses incurred by the corporation in
10 administering the fund; provided that fund moneys may not be
11 used to finance day-to-day administrative expenses of projects
12 allotted fund moneys.

13 (c) The following may be deposited into the fund:

14 (1) Appropriations made by the legislature;

15 (2) Private contributions;

16 (3) Repayment of loans;

17 (4) Other returns; and

18 (5) Moneys from other sources.



1 (d) The fund shall be used to provide no-interest loans
2 for the development, pre-development, or construction of
3 infrastructure projects to expedite the building of affordable
4 housing. Permitted uses of the fund may include but are not
5 limited to planning, design, land acquisition, costs of options,
6 agreements of sale, downpayments, equity financing, or other
7 infrastructure related services or activities as provided in
8 rules adopted by the corporation pursuant to chapter 91.

9 The rules may also provide that moneys from the fund shall
10 be leveraged with other financial resources to the extent
11 possible.

12 (e) The corporation may provide loans under this section;
13 provided that:

14 (1) The corporation shall establish loan-to-value ratios
15 to protect the fund from inordinate risk and under no
16 circumstances shall the loan-to-value ratio exceed one
17 hundred per cent; and

18 (2) The underwriting guidelines shall include a debt-
19 coverage ratio of not less than 1.0 to 1.

20 (f) The corporation shall submit an annual report to the
21 legislature no later than twenty days prior to the convening of



1 each regular session describing the projects funded and its
2 efforts to develop infrastructure development projects."

3 SECTION 2. Section 201H-12, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) The corporation, in its own behalf or on behalf of
6 any federal, state, or county agency, may:

7 (1) Clear, improve, and rehabilitate property;

8 (2) Plan, develop, construct, and finance housing
9 projects; ~~and~~

10 (3) Plan, develop, and construct the necessary
11 infrastructure to expedite the building of affordable
12 housing projects; and

13 ~~[(+3)]~~ (4) In cooperation with the department of education
14 and department of accounting and general services,
15 plan educational facilities and related infrastructure
16 as a necessary and integral part of its housing
17 projects, using all its innovative powers toward
18 achieving that end expeditiously and economically;
19 provided that the educational facilities comply with
20 the department of education's educational
21 specifications, timelines, and siting requirements."



1 SECTION 3. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so much
3 thereof as may be necessary for fiscal year 2008-2009 to be
4 deposited in the infrastructure development revolving fund
5 established under section 201H-A.

6 The sum appropriated shall be expended by the Hawaii
7 housing finance and development corporation for the purposes of
8 this Act.

9 SECTION 4. In codifying the new section added by section 1
10 of this Act, the revisor of statutes shall substitute the
11 appropriate section number for the letter used in designating
12 the new section in this Act.

13 SECTION 5. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect upon its approval;
16 provided that section 3 of the Act shall take effect on July 1,
17 2008.

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JAN 22 2008



Report Title:

Affordable Housing; Infrastructure Development Revolving Fund

Description:

Establishes the infrastructure development revolving fund to expedite the construction of affordable housing.

